company as it had affected operations in other companies which were unrelated to this account. The notice has been however withdrawn without prejudice to right of the bank to proceed against borrowers/guarantors in a suit filed before Debt Recovery Tribunal, Pune as well through securitization notice issued under SARFAESI Act. Out of the two directors in the corporate borrowal allow, one of them represented to the Bank that he belongs to Scheduled Caste. The Reserve Bank of India is seized of the matter.

Inflation rate

1614. DR. K. MALAISAMY: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that the inflation rate rose to its peak during the month of June, the highest as measured by Wholesale Price Index (WPI) in a little longer than the last 13 years;

(b) the disastrous impact of inflation on the helpless poor-who are worst hit since the days of "Garibi Hatao" to the days of "Aam Admi";

(c) what are the various measures covering multipronged directions to control and contain inflation; and

(d) to what extent they have succeeded?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Sir, the year-on-year WPI inflation rate touched double digit at 11.821 per cent in June, 2008, as compared to 10.99 per cent in May 1995. The point-to-point WPI inflation rate stood at 8.00 per cent as on November 29, 2008, and has decelerated from 12.91 per cent on August 2, 2008.

(b) to (d) Containment of inflation remains high on the agenda of the Government. Anti-inflationary policies of the Government include strict fiscal discipline, rationalization of duties on essential items, effective supply-demand management of essential commodities, procurement and distribution of essential items of consumption by the poor through Public Distribution System (PDS). The monetary policy of the Reserve Bank of India, while being conducive to economic growth, has attempted to contain inflationary expectations arising out of uncertainties in domestic and international environment.

Effects of slump in the American economy

†1615. SHRI JANESHWAR MISHRA: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that Indian banks and economy have suffered a loss of thousands of crores due to deterioration of American economy;

(b) if so, whether Government has done any assessment of bad effects of slump in America economy on Indian economy;

(c) if so, whether Government is formulating any effective plan to counter its effect; and

(d) if so, the details thereof?

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†Original notice of the question was received in Hindi